

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED
10-20-15
04:59 PM

In the Matter of the Application of California-
American Water Company (U 210 W) for
Approval of the Monterey Peninsula Water
Supply Project and Authorization to Recover
All Present and Future Costs in Rates.

A.12-04-019
(Filed April 23, 2012)

**SEPARATE COMMENTS OF MARINA COAST WATER DISTRICT
ON PROPOSED SCHEDULING**

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Attorneys for Marina Coast Water District

Date: October 20, 2015

Pursuant to the ruling of Administrative Law Judge Burton Mattson (“ALJ”) Marina Coast Water District (“MCWD”) submits its separate comments on proposed scheduling.

MCWD generally supports the Groundwater Replenishment Project (“GWR”), and supports its expeditious implementation. MCWD understands that GWR was approved by the Monterey Regional Water Pollution Control Authority (“MRWPCA”) on October 9, 2015 when MRWPCA also certified a final Environmental Impact Report (“EIR”) for that project. Therefore, MCWD understands that the only question before the Commission regarding GWR is whether or not a yet-to-be-proposed water purchase agreement is reasonable and in the public interest and should, on that basis, be approved by the Commission and entered into by Cal-Am. On this basis, and despite MCWD’s earlier concerns regarding impermissible piecemealing of environmental review for the proposed MPWSP, it appears that GWR is an approved project that stands alone on its own merits. The Commission’s only authority in the matter would be over whether or not to approve Cal-Am’s purchase of water to be provided by the project. The effects of such purchase would, in turn, inform water supply and demand levels related the proposed MPWSP and necessarily inform the environmental review of that project and feasible alternatives.

While the Settling Parties’ nine suggested criteria for GWR approval may inform the Commission’s decision to some degree, that decision rests with the Commission alone and must be based on principles of reasonableness and public interest rather than the settling parties’ recommendation on nine narrow criteria. MCWD believes that the Commission’s consideration of such an agreement should proceed expeditiously and, toward that end, MCWD believes that it would be pointless for the applicant or the parties to submit

testimony related to GWR without the prompt presentation of a proposed water purchase agreement. Once such an agreement has been achieved, the parties would be able to engage in settlement negotiations, which – if successful – could streamline or perhaps obviate further hearings related to the Commission’s decision on whether or not to approve the GWR water purchase agreement. The Commission should require submission of a proposed purchase agreement, or alternative agreements, with or before the service of testimony in January 2016.

As to the overall schedule for the Commission’s consideration of the MPWSP, it is important to note that while evidentiary hearings were concluded in 2013, the record nonetheless remains open to receive the Commission’s forthcoming recirculated, joint state/federal environmental review document. That review will be informed by the GWR project’s potential reduction in the supply shortfall that must be covered by the MPWSP, as well as by updated supply and demand data from Cal-Am. In addition, the parties must retain the ability, through a reasonable period of time after issuance of the final EIR for the MPWSP, to request further hearings on any other matters where the record is incomplete or has become demonstrably stale. This comports with the indication by the ALJs at the October 12, 2015 prehearing conference that the Commission will conduct further evidentiary hearings in three subject areas raised by the parties: (1) updated supply and demand, (2) brine discharge and (3) extraction and return of Salinas Valley Groundwater Basin water. The parties should be afforded no less than an additional thirty days following release of the final EIR to move for additional evidentiary hearings on specific topics that they may identify, which have not been adequately addressed by prior hearings or the Commission’s environmental review.

Finally, MCWD requests that Cal-Am's updated figures on supply and demand be delineated by the month, at a minimum, and that Cal-Am be required to submit monthly ongoing updates throughout the proceeding.

DATED: October 20, 2015

Respectfully submitted,
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